

Message Text

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PAGE 01 STATE 185310

44

ORIGIN EB-07

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INR-07 LAB-04 NSAE-00 SP-02 STR-04 TRSE-00 CIEP-01

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FM SECSTATE WASHDC

TO USLO PEKING

INFO AMCONSUL HONG KONG

USMISSION GENEVA

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GENEVA FOR PHELAN

E.O. 11652: N/A

TAGS:ETRD, CH

SUBJECT: TEXTILES

1. FOR YOUR INFORMATION, FOLLOWING ARE EXCERPTS FROM
PRESIDENT FORD'S NEWS CONFERENCE OF JULY 19 AND DAILY
NEWS RECORD ARTICLE OF JULY 20.

2. FROM PRESIDENT FORD'S NEWS CONFERENCE: QUESTION:
MR. PRESIDENT, A QUESTION ON INTERNATIONAL TRADE. THE
AMERICAN TEXTILE INDUSTRY IS VERY CONCERNED ABOUT THE
INCREASE IN IMPORTS OF TEXTILES FROM THE PEOPLE'S
REPUBLIC OF CHINA. THEY WOULD LIKE YOU TO NEGOTIATE

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PAGE 02 STATE 185310

A BILATERAL AGREEMENT WITH PEKING. WHAT IS YOUR VIEW

ON THAT? ARE YOU GOING TO DO ANYTHING ABOUT IT? THE
PRESIDENT: I MADE A STATEMENT ABOUT THREE MONTHS AGO
THAT FULLY COVERS THAT. IF YOU REFER BACK TO THAT,
IT WILL GIVE YOU A DETAILED ANSWER.(SEE REFTEL.)

3. FROM DAILY NEWS RECORD, JULY 20: ADMINISTRATION
OFFICIALS HAVE DECIDED AGAINST TAKING THE ISSUE OF A
TEXTILE TRADE PACT WITH (PEOPLES REPUBLIC OF) CHINA TO
PRESIDENT FORD AT THIS TIME DUE TO A DROP IN CURRENT
IMPORT LEVELS, ACCORDING TO FORD'S ECONOMIC COUNSELOR
WILLIAM L. SEIDMAN.

SEIDMAN SAID HE AND COMMERCE SECRETARY ELLIOT RICHARDSON
DISCUSSED THE QUESTIONS OF TEXTILE IMPORTS FROM CHINA
AT A MEETING EARLIER THIS MONTH. THE MEETING WAS
HELD AS A FOLLOWUP TO FORD'S MARCH STATEMENT AT THE
ANNUAL MEETING OF THE AMERICAN TEXTILE MANUFACTURERS
INSTITUTE. AT THAT TIME, FORD PROMISED TO TAKE A
"PERSONAL INTEREST" IN AVOIDING DISRUPTION OF THE
DOMESTIC TEXTILE INDUSTRY BY IMPORTS FROM COUNTRIES NOT
PARTICIPATING IN THE MULTIFIBER TEXTILE AGREEMENT.

THE TEXTILE INDUSTRY HAS BEEN PRESSURING THE U.S. GOVERN-
MENT TO NEGOTIATE A BILATERAL TEXTILE TRADE PACT WITH
CHINA TO REGULATE TEXTILE IMPORTS FOR AT LEAST TWO YEARS.
CHINA IS THE LARGEST TEXTILE EXPORTING NATION NOT
INCLUDED IN THE MULTIFIBER ARRANGEMENT.

IN 1975 ALONE, CHINA SHIPPED 140 MILLION SQUARE YARDS
EQUIVALENT, MOSTLY IN COTTON, TO THE U.S. OF THE 17
LARGEST TEXTILES IMPORTING NATIONS TO THE U.S. IN 1975,
CHINA RANKED SEVENTH.

"WE HAVE NOT CHANGED OUR VIEW ON THAT AT ALL," SEIDMAN
TOLD DNR MONDAY IN A TELEPHONE INTERVIEW ABOUT ADMINIS-
TRATION'S POSITION ON TEXTILE IMPORTS FROM CHINA. "ALL
THAT WE HAVE DECIDED IS NOT TO TAKE THE ISSUE TO THE
PRESIDENT RIGHT NOW."

FORD'S APPROVAL WOULD APPEAR TO BE NECESSARY BEFORE
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PAGE 03 STATE 185310

ANY FORMAL ACTION COULD BE TAKEN TO SEEK BILATERAL
AGREEMENTS WITH CHINA TO LIMIT TEXTILE IMPORTS.

ASKED WHETHER A DROP IN IMPORT LEVELS FROM CHINA HAD
INFLUENCED THAT DECISION, SEIDMAN EXPLAINED, "RIGHT
NOW THERE IS LESS PRESSURE FOR ACTION BECAUSE IMPORTS
HAVE GONE DOWN."

TEXTILE IMPORTS FROM CHINA HAVE BEEN RUNNING AT A
MONTHLY RATE OF ABOUT 30 MILLION SQUARE YARDS
EQUIVALENT, COMPARED WITH A MONTHLY RATE OF ABOUT
30 MILLION SQUARE YARDS EQUIVALENT AT THE END OF 1975.

"THE MATTER IS IN RICHARDSON'S HANDS. HE IS
MONITORING IT AND WILL CONTINUE TO DO SO. WE
AGREED HE WOULD MONITOR IT AND MAKE RECOMMENDATIONS AT
SUCH TIME AS THEY MIGHT BE NECESSARY," SAID SEIDMAN.
"BUT IT IS NOT SOMETHING TO GO TO THE PRESIDENT AT
THIS POINT." KISSINGER

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